

## **User Agency One-Time Vendor Instructions**

One-Time Vendors have been allowed in AASIS as a way of expediting payments with the understanding that the vendor/vendor payment was not taxable.

Unfortunately, the tax status of the vendor/vendor payment may not have been considered by some agency accounts payable sections in the interest of expediting payment and has been improperly used for tax reportable payments.

The above practice precludes accurate reporting to Internal Revenue Service using Form 1099 Miscellaneous. With the consolidation of Agency Tax Identification Numbers, Form 1099 Miscellaneous is now the function of the Department of Finance and Administration. However, it is the responsibility of Agencies to provide correct information for tax reportable vendors/payments.

We are providing an Agency Vendor Report showing your agency's use of one-time vendors in the 2004 Calendar Year.

### **What do we need you to do?**

- 1) Cease using one-time vendors for taxable payments immediately
- 2) Review the report for taxable one-time vendors/taxable payments based on the attached guidelines.
- 3) Determine if an AASIS vendor exists for this taxable one-time vendor/vendor payment.
- 4) If the AASIS vendor does exist, enter the one-time vendor payment information required on the attached spreadsheet along with the AASIS Vendor Number.
- 5) If the AASIS vendor does not exist, contact the vendor and request the Tax Identification number and a W-9.  
Enter the one-time vendor payment information required on the attached spreadsheet.
- 6) Contact Office of State Purchasing for procedures to set up a new AASIS Vendor and begin using the new AASIS vendor number. Do not wait on this vendor number to send in the tax information for 2004

Send spreadsheet to:

[ACCT1099USERAGENCY@DFA.STATE.AR.US](mailto:ACCT1099USERAGENCY@DFA.STATE.AR.US)

